SOME RECENT FOOD MERCHANDISING DEVELOPMENTS

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Recent developments in food merchandising, for the most part, seem to be more in the nature of acceleration of existing trends than new in and of themselves.

In speaking of such trends, we refer to

- Broadening of Self-Service,
- One-Stop Shopping, to include the most frequently bought household items,
- Better Quality Meats and Self-Service Meats,
- Extension of Prepackaging to Fresh Produce
- Built-In Maid Service, that is, the convenience foods,
- Extension of Market Research.

Today people can afford to buy <u>better quality meats</u>. They definitely are <u>demanding</u> better quality beef. This trend is changing the farmers' marketing pattern for cattle; if the trend continues, it may mean significant changes in livestock growing practices for large areas of the country, particularly the general farming areas where the farmers are not equipped to finish cattle on corn. The demand for lighter weight carcasses of grain fattened beef will encourage the selection and breeding of beef cattle which will make rapid gains on grass, and fatten to sufficient finish in the feed lots at live weights of 1,000 pounds. Our growing population means that the beef animals of the future must make the most efficient use of feeds possible, and finish at weights which will produce retail cuts of the size demanded by consumers.

The introduction of <u>self-service meats</u> means more processing of meats and more consumer packaging. The result has been to increase the variety of meats in the diet of the average person.

The high purchasing power, plus the large number of women working, plus the fact that girls are marrying younger now than in the recent past, have created a demand for convenience foods. This situation has exerted several pressures upon the processing and food distribution industries.

There is a saying in food distribution that "old sizes never die." What is meant by this is that though we have <u>more convenience food</u>, <u>more built-in maid service</u>, more <u>processing</u> and combinations of foods offered the public, the old forms and the old sizes still remain, because there are segments of the population who want them. This means a tremendous increase in the number of items in the average retail food store; it means larger stores, because the housewives demand variety.

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And, the convenience foods cost more, since the "built-in maid service" is a substitute for kitchen labor. Such convenience foods as mixes, frozen foods, partially cooked foods and even complete meals mean more labor in processing and distribution, more materials utilized in processing and distribution, more investment in marketing channels, more facilities and equipment required in processing and distribution, to prepare and distribute these convenience foods. All of this tends to add to the cost of marketing, as a percentage of the consumer's dollar. But it does not necessarily decrease the cash income to the farmer from a given product, in fact, it may well increase it by broadening his market.

The subject of trends in marketing and the added costs involved, is well and briefly covered in a recent informative and attractive leaflet by USDA on "Farmer's Share of Consumer's Food Dollar" -- USDA Leaflet No. 123.

And, in current food merchandising developments we see conflicting trends. Today, for example, as writer Charlotte Montgomery has pointed out, we have a conflict of convenience foods vs. gourmet cooking. On the one hand, we are demanding more convenience, more built-in maid service. We want everything to be "quick and easy." But, on the other hand, we want more exotic foods, we are learning to be epicures, barbecue experts, we dally in foreign foods; our diets are rapidly being nationalized and broadened, whereas formerly they were quite regional in character. This means, of course, more processing, more cross-hauling, more freight charges, more labor charges, higher costs. But the people are getting what they want, and the farmers' market is being broadened.

Another important trend in food merchandising is the introduction of the convenience factor into the fresh fruit and vegetable department. As rapidly as possible, commodity by commodity -- as rapidly as consistent with giving the housewive dependable quality -- food distributors are trying to offer the housewife pan-ready, kitchen-ready foods. Diced turnips and diced squash in polyethylene bags are examples of this trend. This is being done by the fresh fruit and vegetable merchandisers, in order to enable them better to compete with the frozen and canned form.

But again, what does this mean? It means, of course, an extension of prepackaging. It means adding labor and material costs. It also means for the farmer much tighter grading. The products which the farmer sends to market must meet the high standards necessary to go into prepackaged merchandise offered the housewife. The objective, of course, is to bring the "grocery type" of self-service to fresh fruits and vegetables, and thus greatly reduce store labor costs and other costs, including waste and shrinkage in the distribution of fresh fruits and vegetables.

How can this be accomplished --

Obviously, with the great variations in the characteristics of the different fresh fruit and vegetable commodities -- and even variations between regions -- it is necessary to study, commodity by commodity,

how the harvesting, shipping, terminal and retailing operations can best be integrated. That is the key: integration. On some commodities, they can be satisfactorily packaged for retailer sale right in the field or at the country shipping point. Others are suitable for packaging at the wholesale or terminal level, and others are so perishable that they can be packaged only at the retail level. But, by and large, the retail store is the least economical place for this packaging.

We'll rapidly achieve our goals when all, or a large number, of the fresh fruit and vegetable shippers recognize their opportunities to integrate their operations with the retail function. Then we will have, as we already have with respect to certain commodities, less freight, less store labor, more efficiency.

And, what do all these and other current trends mean? They can only result in a continuation of a trend toward a higher food standard of living for the American consumer; and this, in turn, means a continuation of the trend of broader, more stable markets for the American farmer.